

Following the Right PATH



*Reinventing welfare in Michigan
with a focus on the cash assistance
work participation rate*

May 2013



PATH Overview



- (P)artnership. (A)ccountability. (T)raining and (H)ope launched January 1, 2013.
- Work has been a requirement at the federal level for those receiving cash assistance for nearly 20 years. PATH helps clients who receive that cash assistance in their quest for employment while helping the department meet its federally required work participation rate.
- PATH is a core component of the Family Independence Program (FIP) and a collaboration of DHS and Michigan Works! agencies (MWA) to improve outcomes for clients, their families and our state economy.

Current status of PATH and transition from the former program



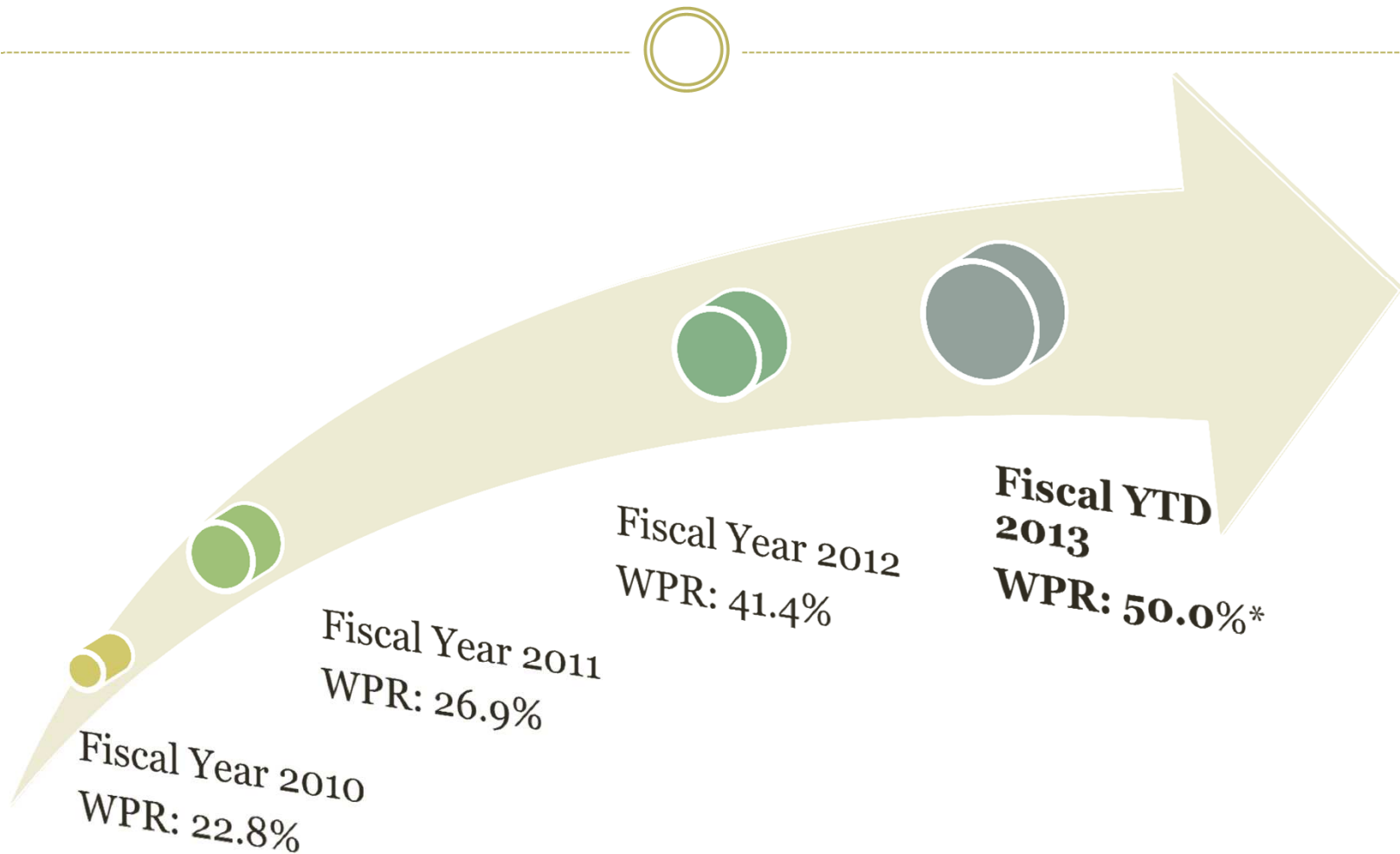
- On January 1, 2013, the PATH program officially launched statewide, thus ending the prior program for work participation known for years as JET (Jobs, Education and Training).
- However, the transition to PATH was not the result of flipping a switch. The foundation for success of the new program was first laid with a series of transformational changes beginning early in 2011. Results can already be seen and measured.

Work Participation Rate: Why is this important?



- The federal government, source of Temporary Assistance for Needy Families (TANF) block grant funding, **requires compliance with TANF regulations** for states receiving and distributing those benefits on behalf of their cash assistance clients. In Michigan, those TANF dollars comprise the majority of funding for FIP cash benefits.
- Since 2002, the federal government has required a **50 percent** work participation rate for clients receiving cash assistance. Until this fiscal year, Michigan had never met this target rate.
- In fiscal year 2010, the work participation rate in Michigan **was just 23 percent.**
- When work participation falls below that federal minimum **the state faces sanctions from the federal government** that could add up to tens of millions of dollars in fines. The implementation of the PATH makes the possibility of **meeting and exceeding** that standard more likely.

Michigan is now trending in the right direction...



*as of March 2013

Significant changes made in the transition away from JET and the launch of PATH



Policy
streamlining

Standardization of
processes among DHS
and MWA offices

Local Office
accountability
and action

Enhanced reports to
monitor outcomes

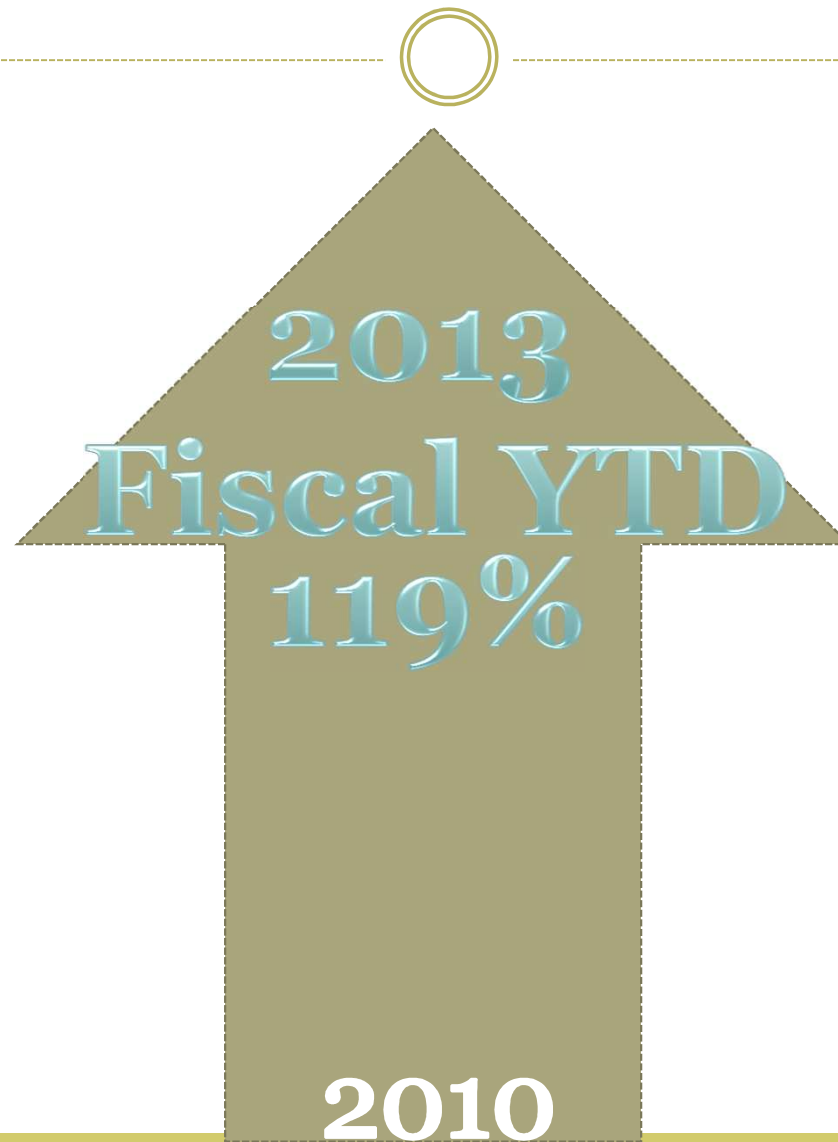
Improved data
analysis and
feedback

Improved Case
Management

Improved interface
between DHS and
MWA systems

Computer
system
automation
improvements

Increased Percentage of WPR Improvement



Looking Ahead



Now that PATH has successfully launched, **key features of the new program** have been implemented that will help clients achieve their goal of sustainable employment and help DHS increase its work participation rate to meet and exceed the federal minimum.

21-day Application Eligibility Period is vital



- There is now a better opportunity for client success with employment and a better chance for improving the state's work participation rate.
- The new 21-day application eligibility period (AEP) for new FIP cases fundamentally alters the landscape at the front end for clients in their journey toward sustainable employment. Unlike the former program, this re-engineered evaluation period takes a more holistic approach to the unique challenges and barriers faced by DHS and Michigan Works! clients.

21-Day essentials



Critical to the in-depth approach of the 21-day evaluation period are the issues addressed by caseworkers, including but not limited to:

- Resume writing.
- Talent Bank access/Job search.
- Child care assistance.
- Transportation issues/vehicle repair assistance.
- Interviewing skills/dressing for success.
- The Straight A's—attitude, attendance, accountability and ambition.
- Basic computer skills/financial literacy.

Early evidence of PATH success



- A 25-year-old single mom in Saginaw County with a 5-year-old came into her son's school to apply for cash assistance. **She was facing a major financial crisis.** Her unemployment benefits were exhausted and they were both living in her mother's home.
- The Pathways success coach explained the importance of attending the orientation and **following PATH** requirements to better obtain employment. The woman seemed determined to make it work and left the office with some hope.

Early evidence of PATH success (continued)



- She began her 21-day application eligibility period (AEP) in early February, with the eligibility specialist and success coach encouraging her to follow through to the end, which she did. Her PATH case manager referred her to a four-week call center training program. A representative from the Morley Company, a local employer partnering with Community Ventures, visited her class to discuss employment opportunities.
- She scheduled an interview at Morley's. The primary concern was a past misdemeanor drug charge for possession of marijuana. She was candid with the interviewer, sharing circumstances surrounding her arrest.
- **She got the job**, hired in full time at Morley's, making \$10 per hour to start, plus medical insurance, a 401K matching fund plan, and educational assistance.

PATH Conclusions



- Some clients will be unwilling to participate in the 21-day AEP and thus face denial of their assistance case. However, those who enroll, follow through with attendance and actively engage with their caseworkers on overcoming barriers and obstacles will have a greater chance at a positive outcome and ultimate success on their quest for sustainable employment.
- An increased rate of work participation will also free the state from the possibility of **millions of dollars in federal sanctions** always present when WPR fails to meet the federal target.
- Exceeding the minimum expected WPR by a much higher rate will give the state more leeway in being able to provide greater assistance to clients seeking their GED or other forms of education that currently are counted against our work participation rate by the federal government.

Long-term evaluation of PATH



DHS is committed to continuous evaluation and improvement in the PATH program, by:

- Interviewing style/How we interact with and assess clients.
- Improving reports.
- Integrating and leveraging other state and community-based resources such as Michigan Rehabilitation Services (MRS), MDOT, Community Ventures, etc.
- Regular customer evaluations through surveys.

We will ensure that Michigan is meeting high standards across multiple dimensions—federal, state, and client services—and that the success of PATH will be clearly measurable and sustainable over time.